

15G - HOUSING/COMMUNITY DEVELOPMENT

Operational Summary

Mission:

To work in partnership with target communities to preserve, strengthen, & enhance neighborhoods; provide affordable housing options; and increase economic opportunities, primarily for lower income residents.

Strategic Goals:

- Allocate program dollars in a manner that ensures timely investment in projects and provides the best benefit towards meeting departmental goals for the dollars invested.
- Increase and preserve affordable housing opportunities, especially for those most in need.
- Improve communication, capacity and morale by such means as conducting regular meetings; recognizing employee achievements; supporting employee events; providing training opportunities for employees; and promoting Department accomplishments.
- Work with other County departments as well as cities, non-profits, residents of unincorporated islands, the business community, and other broad-based interests to address housing and community needs.
- Advance County housing interests at the State and Federal levels through involvement in industry organizations and development of legislative and program policies.

Key Outcome Measures:

Performance Measure	FY 99-00 Results	FY 00-01 Target	How are we doing?
INCREASE THE NUMBER OF AFFORDABLE HOUSING (HSG) OPPORTUNITIES IN ORANGE COUNTY (OC). What: Affordable hsg is when the occupant pays no more than 30% of OC's gross median income for hsg costs. Why: Increasing affordable housing opportunities will help bridge the gap in the OC hsg market.	By the end of FY 98/99, 322 permanent affordable housing units and 11 transitional housing units were either in development or completed. \$15-20 million has been earmarked over the next two years specifically for affordable housing projects.	To award over \$15 million in funding for the creation of affordable housing. To complete construction of 10 public works projects worth over \$1 million in capital improvements.	Within 3 months, H&CD will award up to \$1M based on a Notice of Funding Availability RFP issued in the Fall of 1999. The RFP targeted projects that will increase the affordable housing stock. It is anticipated that another RFP will be issued during this year for the balance of available funds.

At a Glance:

Total FY 1999-00 Actual Expenditure + Encumbrance:	18,495,404
Total Final FY 2000-01 Budget:	47,127,946
Percent of County General Fund:	N/A
Total Employees:	117.00

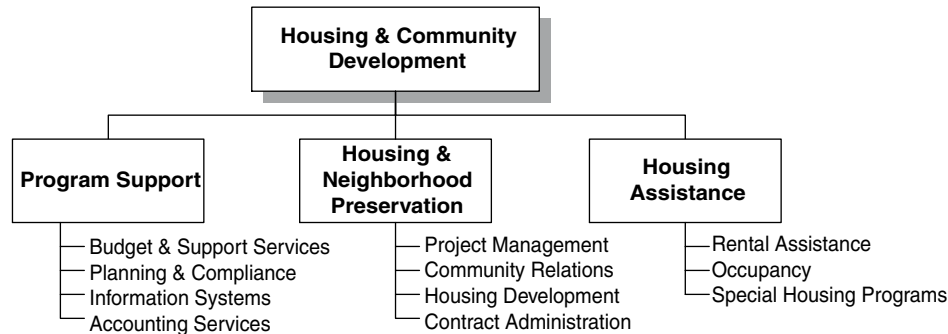
Key Outcome Measures: (Continued)

Performance Measure	FY 99-00 Results	FY 00-01 Target	How are we doing?
ANNUAL EXPENDITURES ALLOCATED TO HIGHEST PRIORITY PROJECTS AS IDENTIFIED IN THE ANNUAL ACTION PLAN. What: Consolidated Plan priorities are affordable housing, neighborhood preservation and homeless issues. Why: The allocation process allows the County to meet its housing & community development needs.	Affordable Hsg: \$2.3M Public Facilities & Imprvmnts: \$1.5M Hsg Rehab: \$1.6M Commercial Rehab: \$.1M Public Svs Needs-Continuum of Care: \$.4M Emergency Shelter programs: \$.2M Transitional Shelters: \$.3M Priority Allocation Total: \$6.3M Total Avail: \$8.3M % High Priority: 76%	Maintain an equal level of funding for high priorities as established by the Board of Supervisors and the Application Review Committee.	Staff is currently developing the Consolidated Plan 2000-2004, which includes an updated needs assessment for the target communities. H&CD is committed to allocating funds to priorities identified in the Plans and/or by the Board of Supervisors.
COUNTY LEASE UP RATE AS COMPARED WITH FEDERAL PERFORMANCE TARGET. What: Lease-up rate is a % of available HUD issued rent subsidy vouchers to the number in use by clients. Why: Current hsg conditions result in higher rents and fewer landlords joining in the Section 8 program.	Actual FY 98/99 Avg. Lease-up Rate/mo.: 95.34% Projected FY 99/00 Avg. Lease-up Rate/mo.: 97.25%	HUD's minimum lease-up rate requirement is 95%. H&CD is targeting an average lease-up rate of 98%.	Extra staff was added in FY 99 to work on the Section 8 lease-up rate. The 5-year financial forecast projects more staff needed to keep up with projected increases in the program. Without these resources, maintaining the lease-up rate above the HUD required level of 95% will be difficult.
PERFORMANCE RATING PER HOUSING AND URBAN DEVELOPMENT ASSESSMENT STANDARDS (SEMAP). What: SEMAP is a method of rating performance in 14 areas of the Sec. 8 Tenant-Based Assistance Program. Why: SEMAP ensures integrity and accountability by identifying management capabilities and deficiencies.	Ratings are "stayed" until further notice from HUD. Self-Assessment indicates H&CD ratings would meet HUD requirements.	If Ratings are not "stayed", the report will be due to HUD on August 31, 2000. HCD's target is a rating of "high performer".	Our current assessment indicates that H&CD would receive at least a standard rating at this time.

Fiscal Year 1999-00 Key Project Accomplishments:

- H&CD assisted over 20,000 Orange County residents (7,000 + households) with monthly rent payments through the Section 8 rental assistance program, for a total disbursement of over \$42 million in annual rental subsidies.
- Family Unification Program, a cooperative effort between SSA and H&CD, has leased up 170 families and thereby reunited over 350 children with their parents.
- 1999 Application Review Committee solicitation resulted in 146 proposals valued at over \$18 million.
- H&CD provided 65,032 bednights serving 8,649 homeless people.
- The Mortgage Credit Certificate Program helped 16 families to purchase their first home. Of the 16 families, 31% were low-income and 69% were moderate income.
- The 1999 RFP for affordable rental housing awarded funds to 2 projects: one 5 unit family and one 10 unit building for disabled persons. The total award amount was \$643,092.
- H&CD announced two new funding opportunities, \$8 million for affordable rental housing and \$2 million for fast track loan program for highly leveraged projects. 9 applications were received by the August 21, 2000 deadline representing requests for 789 units of potential affordable housing.
- H&CD, in cooperation with the Leadership Cabinet, prepared the Housing and Urban Development Department's 1999 SuperNOFA Application for Homeless Assistance. On December 25, 1999, HUD Secretary Cuomo announced the grant awards, which included over \$6.8 million for the County of Orange.

Organizational Summary



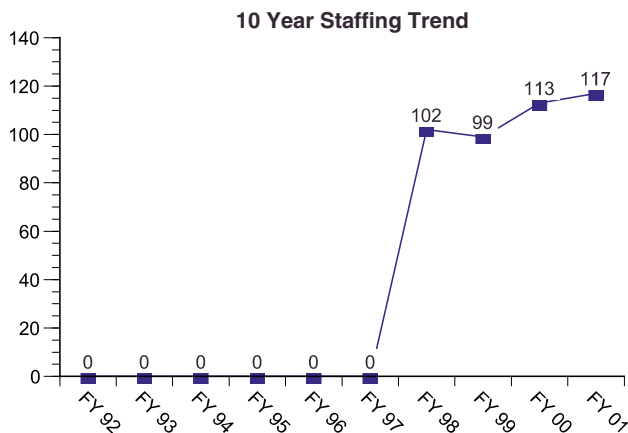
EXECUTIVE ADMINISTRATION - Plans, organizes, administers and directs all functions related to the implementation of policies, programs and projects developed under legal authority granted to the Orange County Housing Authority, Community Development Block Grant and other similar federal, state and Orange County Development Agency funded programs. Has full authority for development and implementation of policies and objectives for all functions delegated to the Department. Includes Human Resources which is responsible for establishing an appropriate framework within the department so it can competitively attract and retain the best qualified employees while meeting appropriate laws and regulations. It also provides assistance in employee relations to ensure personnel standards and quality assurance.

PROGRAM SUPPORT - The Program Support Division is responsible for administrative support services and overall H&CD program compliance and grant management. This function performs audit, compliance and legal notification procedures required by HUD for both the Housing & Neighborhood Preservation and Housing Assistance functions. Because it must make recommendations on "compliance" matters, it is separated from the direct control of either of the other functions. It also conducts the Annual Application Review and Homeless Assistance Program application processes which are competitive processes by which funding is allocated to projects. This division also includes the following functions: outstationed accounting services, purchasing, facilities management, budget, payroll, petty cash, legislative analysis, computer services and general support services.

HOUSING/NEIGHBORHOOD PRESERVATION - The Housing and Neighborhood Preservation Division oversees Community Relations activities as well as eligible activities such as public infrastructure, housing rehabilitation, community development, preservation and improvement activities, and local economic development through the administration of sub-recipient contracts funded through the CDBG, HOME, ESG, NDAPP and SuperNOFA programs. This division also oversees new housing development in the creation of multi-family rental and home ownership projects for low and very low-income families.

HOUSING ASSISTANCE - The Housing Assistance Division consists of the Rental Assistance/Leasing Section, the Residency/Occupancy Section and the Special Housing Programs Section. Primarily, this division performs the operations of the Housing Authority. The Housing Authority is responsible for the disbursement of over \$42 million in housing subsidies annually which is not reflected in the County's budget figures. In addition, the Housing Assistance Division operates special programs such as Family Self-Sufficiency, which is designed to assist families participating in the Section 8 Rental Assistance Program to become economically independent from public assistance, and Family Unification, which assists in the reunification of children with their parents.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Prior to FY 97/98, H&CD was a division of EMA with all of the associated positions budgeted in EMA's budget.
- H&CD Staff expanded in FY 98/99 due to an Organizational Assessment performed by the CEO and an outside consultant. Staff was added to the following sections: 13 to the Housing Assistance activity and 1 to the Program Support activity.
- H&CD Staff is increasing by 4 in FY 00/01 due to the expansion of the Shelter Plus Care program (1) and the creation of CalWORKS program (3). Both of these programs are in the Housing Assistance Division.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The budget is significantly higher than anticipated in the 2000 Strategic Plan due to a larger carry forward of project funds than originally projected. This is due, in part, to an increase in multi-year projects budgeted at 100% in the first year with the unexpended balance carried forward from year

to year. Multi-year projects budgeted this way include those funded by the SuperNOFA grant process and the block grant programs. They were budgeted this way to facilitate the County's progress toward its strategic goal in addressing Housing, Homelessness, and Infrastructure needs.

The Board of Supervisors has determined that Affordable Housing is a 2001 Strategic Priority. In accordance with this action H&CD, in the current budget, has allocated over \$6 million in new and carried forward funds for the creation of Affordable Housing. H&CD will continue to work with the direction of the CEO and the Board of Supervisors toward the achievement of this goal.

H&CD is currently working toward the development of a program to address the Board of Supervisors 2001 Strategic Priority of the creation of Community Centers and Parks within the County's target areas.

H&CD is also committed to a successful implementation of the Management Performance Plan and the Performance Incentive Plan over the next year.

Changes Included in the Recommended Base Budget:

The Proposed Budget includes over \$6.9 million in new block grant funding and over \$18 million in carry forward block grant funding for projects currently in progress and not anticipated to be completed by the end of FY 99/00. The grant amount is down from \$7.3 million in FY 99/00. This is primarily due to the loss of Mission Viejo from the program. The amount carried forward is, however, up substantially from \$11 million in FY 99/00. The increase in carry forward is a result of more multi-year projects being awarded than in the past.

The \$6.8 million SuperNOFA Continuum of Care award for the 1999 grant submission is included in the budget, as well as carried forward funds for the 1996 and 1998 awards.

The administration fees received from HUD for the operation of the Section 8 Program have been increased by 5.6%.

Approved Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Housing Assistance	One Staff Assistant to administer Shelter Plus Care program awarded in 1999 SuperNOFA application.	Expand Shelter Plus Care assistance from 50 households in 1999, to 119 in 2000, to 150 in 2001.	15G-001
Amount: \$ 49,121			

Approved Budget Augmentations and Related Performance Results: (Continued)

Unit/Amount	Description	Performance Plan	Ref. Num.
Housing Assistance	Addition of 3 positions and appropriations for	430 clients in FY 00-01, 650 in FY 01-02, 520 in FY 02-	15G-002
Amount:\$ 1,075,000	1st yr of 3 yr CalWORKs program at H&CD.	03 find housing, move off public assistance.	

Final Budget and History:

Sources and Uses	FY 1998-99 Actual Exp/Rev ⁽¹⁾	FY 1999-00 Final Budget	FY 1999-00 Actual Exp/Rev ⁽¹⁾	FY 2000-01 Final Budget	Change from FY 99-00 Actual	
					Amount	Percent
Total Positions	N/A	113	N/A	117	117	N/A
Total Revenues	16,491,604	37,687,984	16,554,153	47,127,946	30,573,793	184.69
Total Requirements	16,104,676	37,687,984	15,496,765	47,127,946	31,631,181	204.11
FBA	(9,705,251)	0	(7,865,413)	0	7,865,413	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 1999-00 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: HOUSING/COMMUNITY DEVELOPMENT in the Appendix on page 473.

Highlights of Key Trends:

- As the supply of affordable new and resale housing decreases, additional pressure for programs to address the needs of first-time and low to moderate income home buyers may arise.
- One-third of Orange County residents either pay more than 30% of their income on housing, live in overcrowded units, live far from the workplace, or live in substandard or poorly maintained housing.
- 120,000 Orange County households earn less than \$20,000 per year.
- There are 3,000 low-income large families in the unincorporated county. 73% of large families' experience overcrowded living conditions. High-density levels take a toll on buildings and infrastructure causing neighborhoods to decline.
- There are an estimated 18,000 homeless persons in Orange County. Of that number, 10,839 homeless individuals and persons in families with children have a need for shelter.
- As rents increase in Orange County, landlords are less likely to participate in the Section 8 rental assistance program unless HUD subsidies match market rates.

Budget Units Under Agency Control

No.	Agency Name	Executive Administration	Program Support	Housing/neighborhood Preservtn	Housing Assistance	Total
117	OC Housing Authority-operating Reserve	79,355	127,767	3,993,168	364,627	4,564,917
15G	Housing/community Development	1,788,903	1,615,115	35,200,040	8,523,888	47,127,946
	Total	1,868,258	1,742,882	39,193,208	8,888,515	51,692,863